

YOUTH SERVICES POLICY

Title: Budget and Fiscal Management Activities Next Annual Review Date: 05/26/2010	Type: A. Administrative Sub Type: 3. Fiscal Number: A.3.8
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References: ACA Standards 2-CO-1B-01, 2-CO-1B-05 and 2-CO-1B-06 (Administration of Correctional Agencies); 4-JCF-6B-02, 4-JCF-6B-05, 4-JCF-6B-06, 4-JCF-6B-08, 4-JCF-6B-12 (Performance-Based Standards for Juvenile Correctional Facilities), and 2-70-60 (Juvenile Probation and Aftercare Services); La. R.S. 24:513, 39:78 "Uniform Accounting Procedures", 39:233, 39:242, and 49:321; State Treasurer Policies and Procedures Manual; Office of Risk Management Procedures Manual and Generally Accepted Accounting Principles; YS Policies B.5.2 "Imposition of Restitution", C.4.2 "Social Security Benefits", and C.5.3 "Headquarters Audit – Adult and Juvenile Secure Institutions and Non-Secure Residential Contract Facilities" and the "Request for Purchase" form.	
STATUS: Approved	
Approved By: Mary L. Livers, Deputy Secretary	Date of Approval: 05/26/2009

I. AUTHORITY:

Deputy Secretary of Youth Services as contained in La. R.S. 36:405. Deviation from this policy must be approved by the Deputy Secretary.

II. PURPOSE:

To provide Youth Services' policy governing fiscal management to include planning, budgeting and accounting procedures.

III. APPLICABILITY:

This policy applies to the Deputy Secretary, Undersecretary, Assistant Secretary, Deputy Assistant Secretaries, Deputy Undersecretary, Facility Directors, Regional Managers, and all employees responsible for budget and accounting related activities.

IV. DEFINITIONS:

Centralized Youth Welfare Fund - Abandoned property in the form of legal tender and interest income earned from the investment of youth money maintained by the DPS&C - Corrections Offender Banking Section.

Imprest Fund - An account used primarily for reimbursement of travel expenses, registration fees for conferences, postage, and other minor expenses.

Office of Management and Finance - A unit within Youth Services that oversees the administrative and operational functions of the department.

Petty Cash - Cash on hand for small incidental or emergency purchases where a check is not required or cost effective.

Unit Head - Deputy Secretary, Facility Directors and Regional Managers.

YS Central Office - Offices of the Deputy Secretary, Undersecretary, Assistant Secretary, Deputy Assistant Secretaries, Chief of Operations, Deputy Undersecretary and their support staff.

V. POLICY:

It shall be the Deputy Secretary's policy that complete control over all financial management aspects and fiscal management activities be maintained for Youth Services (YS) through utilization of La. R.S. 39:78 "Uniform Accounting Procedures," State Treasurer Policies and Procedures Manual, Office of Risk Management Procedures Manual and Generally Accepted Accounting Principles.

VI. PROCEDURES:

- A. The Undersecretary or his/her designee shall be responsible for monitoring and reviewing the expenditure of funds. All income and expenditures shall be accounted for on an ongoing basis through internal control procedures and internal audits as necessary. Planning and budgeting shall be related directly to the program objectives of each unit. The Office of Management and Finance shall assist the units with these efforts. Periodic reviews shall be conducted to include a full accounting of the funds allocated for each program function.
- B. Each Unit Head shall submit a proposed budget to the Undersecretary or his/her designee annually for review and approval. The Deputy Secretary or his/her designee shall be responsible for the overall agency formulation, presentation of YS' budget to the Legislature and representing YS at budget hearings. The day-to-day financial management of YS shall be the responsibility of the Undersecretary or his/her designee.
- C. Each Unit Head shall be responsible for the financial management and control of their respective budgets and shall be responsible for ensuring that proper budget management is achieved. Oversight shall be provided by the Office of Management and Finance.

- D. The Office of Management and Finance shall ensure that appropriate insurance coverage is provided, including but not limited to: worker's compensation, liability, automobile, physical damage, property, personal injury liability, public employee blanket bond, medical malpractice and other miscellaneous coverages as deemed appropriate.
- E. Each Unit Head shall ensure that all bank accounts for their unit are properly secured or collateralized pursuant to La. R.S. 49:321. Each unit shall notify Office of Management and Finance - Accounting of the type of accounts, account numbers, the dollar amounts in each account, as well as the bank's name and address. Monthly bank reconciliations shall be submitted to Office of Management and Finance - Accounting. Office of Management and Finance - Accounting shall monitor account activity and balances to determine if any under-collateralizations have or are likely to occur. If the combined balance of all accounts at any financial institution not having an existing collateral agreement are likely to exceed the \$100,000 FDIC insurance limit for both interest and non-interest bearing account, the unit shall notify Office of Management and Finance - Accounting to secure assistance to invest a portion of the funds in another financial institution.

Office of Management and Finance - Accounting shall be notified any time account changes are required, whether it be the establishment of a new account, changes in investments, or a transfer of ownership of the financial institution; the units must coordinate efforts to monitor bank balances.

Those units operating under existing collateralization agreements shall be responsible for monitoring the bank accounts and notifying Office of Management and Finance - Accounting if additional securities are required to be pledged in order to secure the account, in keeping with the collateralization agreement.

F. Internal Controls

- 1. Each Unit Head shall appoint employees with a high standard of integrity and competency due to their education, experience and/or training to manage accounting procedures.
- 2. The Unit Head shall ensure that accounting transactions and other fiscal related activities are properly authorized and that separation of duties is maintained in the assignment of responsibilities for authorizing, recording and auditing transactions, and maintaining the custody of assets.

3. When employees are assigned fiscal responsibilities, their supervisors shall provide training on applicable policies and procedures. Additional training may be requested from the Office of Management and Finance, if necessary.
4. All commodity based purchases shall be ordered, received and paid for through the Integrated Statewide Information System - Automated Governmental Purchasing System (ISIS-AGPS) maintained by the Division of Administration.
5. All non-commodity based purchases and other accounting transactions may be processed through the Integrated Statewide Information System - Advantage Financial System (ISIS-AFS) maintained by the Division of Administration.
6. Employees shall be permitted business-need-only access to data files and functions necessary to perform their assigned duties. The Unit Head or his/her designee shall immediately notify the Office of Management and Finance any time an employee terminates his employment with YS or transfers to another position or office within the unit for which access to data files is needed.
7. All materials and supplies not available in warehouse or storeroom inventories, conference and convention registration, operating services, and equipment or major repairs shall be requisitioned using the electronic 156B Request for Purchase form in the Lotus Notes database. The Unit Head, OMF/Budget and OMF/Purchasing shall approve all electronic 156B Request for Purchase forms.
8. All issues of supply items held in inventory shall be submitted on an approved internal requisition form signed by the employee requesting the items.
9. All monies collected within each unit shall be placed daily in an officially designated and secure location.
10. Facility procedures shall detail the specific duties and responsibilities for each employee in properly accounting for the receipt and transfer of cash. These procedures shall be in compliance with Generally Accepted Accounting Principles and shall be reviewed periodically by the Office of Management and Finance.

11. Problems such as cash shortages, inventory shortages, and any unauthorized warehouse transactions shall be immediately reported to the Unit Head by completing an Unusual Occurrence Report. The Unit Head shall investigate the problem and take corrective action as necessary. If the shortage exceeds amounts established by the Undersecretary, a report shall be submitted to the Undersecretary or his/her designee with a recommended solution.

G. Petty Cash and Imprest Funds

1. Each secure facility shall administer a Petty Cash Fund in accordance with La. R.S. 39:233. The Imprest Fund shall be administered in accordance with La. R.S. 39:242. The Unit Head shall be deemed the custodian of the Petty Cash and Imprest Funds and shall approve all vouchers for expenditures of these funds.
2. As often as may be necessary, the custodian or his designee shall submit a request to replenish the Petty Cash Fund to OMF/Accounting. Payment of reimbursement to the Petty Cash Fund shall be made to the custodian and shall be devoted to reimbursement thereof.
3. The Imprest Fund shall be maintained for the purpose of making disbursements requiring prompt cash outlay including travel expense reimbursements. As often as necessary to replenish the Imprest Fund from the unit's established operating appropriation and allotment, the custodian of the Imprest Fund shall submit a schedule of disbursements, accompanied by appropriate vouchers, to the Office of Management and Finance - Accounting. Payment shall be made to the custodian of the Imprest Fund and shall be devoted to the reimbursement thereof.

H. Signature and Control on Checks

1. There shall be a limited number of employees who are authorized to sign Imprest checks for each unit. The signature of the Unit Head must appear on all checks issued.
2. Signature cards authorizing the appropriate individuals at each unit, normally the Unit Head, shall be submitted to the financial institution where the bank accounts are maintained. A copy of the signature cards shall be forwarded to the Office of Management and Finance - Accounting, for informational and filing purposes.

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3. The authorized signatures for checks drawn on the Centralized Youth Welfare Fund are the DPS&C - Corrections Chief Fiscal Officer and Director of the Offender Banking and Accounts Payable.
4. The authorized signatures for checks drawn on the Centralized Youth Banking System are the DPS&C - Corrections Chief Fiscal Officer and Director of Offender Banking and Accounts Payable.

I. Audits

1. Audits shall be routinely performed in accordance with YS Policy No. C.5.3 and copies of the reports shall be submitted to the Undersecretary or designee. Additional periodic audits may also be conducted.
2. Regular audits on at least a bi-annual basis will be performed by the Legislative Auditor in accordance with La. R.S. 24:513.
3. Each Unit Head shall be responsible for providing a written response to internal or external audit findings, as well as, developing plans of action to correct any noted deficiencies. Written responses shall be forwarded to the Undersecretary or designee.

J. Youth Accounts

All youths' personal funds shall be accounted for using Generally Accepted Accounting Principles in accordance with facility policies and procedures and YS Policy No. C.4.2.

Previous Regulation/Policy Number: A-03-008/A.3.8

Previous Effective Date: 02/01/2002

Attachments/References: